

AMENDED IN SENATE AUGUST 1, 2016

AMENDED IN ASSEMBLY MAY 27, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 1858**

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**Introduced by Assembly Member Santiago**

February 10, 2016

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An act to add and repeal Section 11545 of the Vehicle Code, relating to vehicle dismantling.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1858, as amended, Santiago. Automobile dismantling: task force.

Existing law establishes the Department of Motor Vehicles, the State Board of Equalization, and the California Environmental Protection Agency, and prescribes the powers and duties of those state agencies. Under existing law, it is unlawful for any person to act as an automobile dismantler without having an established place of business, meeting specified requirements, and having a current, valid license or temporary permit issued by the Department of Motor Vehicles.

This bill would, until January 1, ~~2019~~, 2020, require the department to ~~establish an Unlicensed Automobile Dismantling Task Force comprised of representatives of the department, the State Board of Equalization, and the California Environmental Protection Agency. The bill would require the task force to collaborate to investigate the occurrences of unlicensed vehicle dismantling in violation of those provisions, including resulting tax evasion and environmental damage.~~ collaborate with the State Board of Equalization, the California Environmental Protection Agency, the Department of Toxic Substances Control, the State Water Resources Control Board, the Department of

*Resources Recycling and Recovery, and the State Air Resources Board to review and coordinate enforcement and compliance activity related to unlicensed, unregulated, and underground automobile dismantling, including resulting tax evasion, environmental impacts, and public health impacts. The bill would require the task force, department, in consultation with those agencies, on or before March 1, 2018, January 1, 2019, to submit a report to the Legislature including specified information pertaining to the task force's activities. information. The bill would state related findings and declarations of the Legislature.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares the following:
- 2 (a) Automobile dismantlers are occupationally licensed by the
- 3 Department of Motor Vehicles to provide an essential service that
- 4 directly addresses society's increasing challenge of what to do
- 5 with end-of-life vehicles.
- 6 (b) Automobile dismantlers face an array of costly yet necessary
- 7 requirements to properly process end-of-life vehicles, including,
- 8 but not limited to, safely removing and recycling unused gasoline,
- 9 brake fluid, engine oil, transmission fluid, antifreeze, *catalytic*
- 10 *converters*, tires, mercury switches, *lead acid* batteries, and freon.
- 11 (c) Automobile dismantlers are small and medium sized
- 12 businesses regulated by over a dozen state, local, and federal
- 13 agencies with jurisdiction over water quality, hazardous materials,
- 14 air quality, worker safety, payment of taxes, and vehicle titling
- 15 requirements.
- 16 (d) Unlicensed automobile dismantlers *operate in the*
- 17 *underground economy and do not face the same* ~~comply with the~~
- 18 ~~licensing requirements, environmental regulatory requirements,~~
- 19 ~~insurance obligations, workplace safety requirements, and tax~~
- 20 ~~liability as required by law for that~~ licensed automobile
- 21 ~~dismantlers. dismantlers comply with.~~
- 22 ~~(e) The impact of unlicensed and unregulated automobile~~
- 23 ~~dismantling and limited enforcement activity has led to a lack of~~
- 24 ~~compliance with dismantler laws, environmental requirements,~~
- 25 ~~and payment of taxes.~~
- 26 (f)

(e) It is the intent of the Legislature to enact legislation to establish a multiagency task force *require state agencies to collaborate in combating unlicensed and unregulated unlicensed, unregulated, and underground automobile dismantling for the purposes of investigating environmental quality issues and tax evasion that are occurring as a result of this activity and the lack of enforcement.*

SEC. 2. Section 11545 is added to the Vehicle Code, to read:

11545. (a) The department shall ~~establish an Unlicensed Automobile Dismantling Task Force comprised of representatives of the department, the State Board of Equalization, and the California Environmental Protection Agency.~~ *collaborate with the State Board of Equalization, the California Environmental Protection Agency, the Department of Toxic Substances Control, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, and the State Air Resources Board to review and coordinate enforcement and compliance activity related to unlicensed, unregulated, and underground automobile dismantling, including resulting tax evasion, environmental impacts, and public health impacts.*

~~(b) The task force shall collaborate to investigate the occurrences of unlicensed automobile dismantling in violation of this chapter, including resulting tax evasion and environmental damage.~~

*(b) The State Board of Equalization, the California Environmental Protection Agency, the Department of Toxic Substances Control, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, and the State Air Resources Board shall provide enforcement and the necessary resources to the department for the investigation and reporting of the activities outlined in this section.*

*(c) The department, along with the agencies listed in subdivision (a), may collaborate with and solicit information from district attorneys, certified unified program agencies, code enforcement agencies, and any other federal, state, or local agencies with jurisdictions over unlicensed, unregulated, and underground automobile dismantlers to achieve the purposes of this section.*

*(d) The department, in consultation with the agencies listed in subdivision (a), shall establish a public outreach effort for soliciting referrals from the public, including, but not limited to,*

1 *an advertised telephone hotline lead, referral form, and other*  
2 *methods to identify and report unlicensed activity.*

3 ~~(e)~~

4 ~~(e) (1) On or before March 1, 2018, the task force January 1,~~  
5 ~~2019, the department, in collaboration with the State Board of~~  
6 ~~Equalization, the California Protection Agency, the Department~~  
7 ~~of Toxic Substances Control, the State Water Resources Control~~  
8 ~~Board, the Department of Resources Recycling and Recovery, and~~  
9 ~~the State Air Resources Board, shall submit a report to the~~  
10 ~~Legislature including the following information: including, but~~  
11 ~~not limited to, the following:~~

12 ~~(A) The number of leads or complaints received by the task~~  
13 ~~force.~~

14 ~~(B)~~

15 ~~(A) The number of complaints unlicensed dismantlers~~  
16 ~~investigated and complaints the number of investigations that~~  
17 ~~resulted in an administrative enforcement action, a civil action~~  
18 ~~enforcement action, or criminal prosecution.~~

19 ~~(B) Any identified statutory or regulatory gaps for investigating~~  
20 ~~and prosecuting unlicensed automobile dismantlers.~~

21 ~~(C) Information on how vehicles are acquired by unlicensed~~  
22 ~~dismantlers, places where unlicensed activity is suspected or known~~  
23 ~~to occur, and the types of facilities where unlicensed activity tends~~  
24 ~~to occur.~~

25 ~~(D) A summary of the barriers to adequate and efficient~~  
26 ~~enforcement of environmental, tax, and licensing statutes and~~  
27 ~~regulations against unlicensed dismantlers.~~

28 ~~(E) Proposed strategies for bringing unlicensed dismantlers~~  
29 ~~into compliance through compliance assistance, education and~~  
30 ~~training, or other identified methods.~~

31 ~~(F)~~

32 ~~(F) Recommendations for modifying, eliminating, or continuing~~  
33 ~~the task force's activities: coordinated enforcement and compliance~~  
34 ~~activities pursuant to this section.~~

35 ~~(D)~~

36 ~~(G) Recommendations for statutory or regulatory changes, or~~  
37 ~~both, needed to better allow for enforcement against unlicensed~~  
38 ~~automobile dismantlers.~~

1     (2) The report required by this subdivision shall be submitted  
2 to the Legislature pursuant to Section 9795 of the Government  
3 Code.

4     ~~(d)~~

5     (f) This section shall remain in effect only until January 1, ~~2019~~,  
6 2020, and as of that date is repealed, unless a later enacted statute,  
7 that is enacted before January 1, ~~2019~~, 2020, deletes or extends  
8 that date.

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